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**Department of Commerce and Insurance  
Commissioner Leslie Shechter Newman**

**NEWS RELEASE**

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**ATTORNEY GENERAL REACHES SETTLEMENT  
WITH HENDERSONVILLE COMPANIES**

Tennessee Attorney General Bob Cooper and Mary Clement, the Director of the Division of Consumer Affairs, have reached an agreement with two Hendersonville companies alleged to have made unsubstantiated claims to entice customers to buy their business opportunity dealerships.

Energy Automation Systems, Inc. ("EASI") and Energy Project Assurance Corp. ("EPAC") are alleged to have persuaded consumers to purchase EASI dealerships, which in turn marketed EASI's energy saving products. As part of the agreement, the company will pay approximately \$199,000 in refunds to consumers who have filed complaints with the State prior to entry of the agreement. In addition, the companies will pay \$115,000 to the State and will be permanently enjoined from making certain misrepresentations in the future.

"This Office is glad that it was able to resolve this dispute by obtaining complete refunds for those who bought EASI dealerships and filed complaints with the State," Attorney General Cooper said. "We remain committed to ensuring consumers are not misled by unsubstantiated claims about products and services."

The State alleges that the EASI offered the opportunity to consumers to become "dealers" of the energy reduction systems that company markets. The Hendersonville-based companies allegedly

misrepresented the number of successful projects, vigorous compliance standards and earnings that could be achieved by purchasing a distributorship. The Attorney General's Office contends that some of EASI's representations cannot be substantiated. Consumers who bought the dealerships complained that the EASI energy savings systems were difficult to sell, the dealer support allegedly offered by EASI was not provided and they were not earning the money the company allegedly claimed they would make.

To learn more, the settlement documents may be viewed on the Attorney General website at <http://www.attorneygeneral.state.tn.us/cases/cases.htm>. Simply go to this webpage and click on "EASI."

Consumers may file a complaint regarding any consumer matter at the Division of Consumer Affairs at (615) 741-4741, toll free in Tennessee at 877-275-7396 or online at <http://www.state.tn.us/consumer/consCompFrm.html>.

The Attorney General's Office and Division of Consumer Affairs offer the following tips to avoid becoming a victim:

- \*If you're considering a business opportunity, do your homework first. If the ad claims buyers can earn a certain income, then it also must give the number and percentage of previous purchasers who achieved the earnings. If an earnings claim is there - but the additional information isn't - the business opportunity seller is probably violating the law.

- \*Get earnings claims in writing. If the business opportunity costs \$500 or more, then the promoter must back up the earnings claim in a written document. It should include the earnings claim, as well as the number and percentage of recent clients who have earned at least as much as the promoter suggested. If it's a work-at-home or other business opportunity that involves an investment of under \$500, ask the promoter to put the earnings information in writing.

- \*Contact the Division of Consumer Affairs, the Federal Trade Commission and the Better Business Bureau where the business opportunity promoter is based and where you live to find out whether there is any record of unresolved complaints. While a complaint record may indicate questionable business practices, a lack of complaints doesn't necessarily mean that the promoter and the business opportunity don't have problems. Unscrupulous dealers often change names and locations to hide a history of complaints.

- \*If the business opportunity involves selling products from well-known companies, call the legal department of the company whose merchandise would be promoted. Find out whether the business opportunity and its promoter are affiliated with the company. Ask whether the company has ever threatened trademark action against the business opportunity promoter.

- \*Consult an attorney, accountant or other business advisor before you put any money down or sign any papers. Entering into a business opportunity can be costly, so it's best to have an expert check out the contract first. If the promoter requires a deposit, ask your attorney to establish an escrow account where the deposit can be maintained by a third party until you make the deal.

- \*Take your time. Promoters of fraudulent business opportunities are likely to use high-pressure sales tactics to get you to buy in quickly without doing your homework. If the business opportunity is legitimate, it'll still be around when you're ready to decide.